

FUND 590

PUBLIC SCHOOL INSURANCE FUND

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2003 Advertised Budget Plan, as approved by the Board of Supervisors on April 29, 2002:

- ◆ The Board of Supervisors made no changes to the FY 2003 Advertised Budget Plan.

The following funding adjustments reflect all approved changes to the FY 2002 Revised Budget Plan from January 1, 2002 through April 22, 2002. Included are all adjustments made as part of the FY 2002 Third Quarter Review:

- ◆ The Board of Supervisors approved the School Board's FY 2002 Third Quarter Budget Review request to decrease expenditures by \$1,334,790.

County Executive Proposed FY 2003 Advertised Budget Plan

Purpose

The Public School Insurance Fund provides administration for workers' compensation insurance, self-insurance funds for automobile and general liability, and commercial insurance for other liabilities. FY 2003 expenditures are estimated at \$5,793,240.

It should be noted that the following fund statement reflects the FY 2003 Fairfax County School Board's Advertised Budget. Adjustments to this fund, adopted by the Fairfax County School Board on February 7, 2002, will be discussed in the Overview Volume of the FY 2003 Advertised Budget Plan.

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FUND STATEMENT

Fund Type G50, Internal Service Funds

Fund 590, Public School Insurance Fund

	FY 2001 Actual ¹	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan ^{2,3}	FY 2003 School Board's Advertised ³	FY 2003 Adopted Budget Plan
Beginning Balance	\$22,371,126	\$20,444,434	\$20,931,414	\$15,922,283	\$15,922,283
Revenue:					
Workers' Compensation:					
School Operating Fund	\$3,275,116	\$3,275,116	\$2,975,116	\$2,975,116	\$2,975,116
School Food Services	218,124	218,124	218,124	218,124	218,124
Other Insurance	1,920,624	983,053	333,896	2,600,000	2,600,000
Total Revenue	\$5,413,864	\$4,476,293	\$3,527,136	\$5,793,240	\$5,793,240
Total Available	\$27,784,990	\$24,920,727	\$24,458,550	\$21,715,523	\$21,715,523
Expenditures:					
Administration	\$310,586	\$373,122	\$378,695	\$390,097	\$390,097
Workers' Compensation	2,943,126	3,150,000	3,224,600	3,224,000	3,224,000
Other Insurance	2,876,065	3,319,111	2,873,129	4,503,539	4,503,539
Claims Management	723,799	796,896	542,896	542,896	542,896
Other Adjustments ³	0	0	0	(3,270,324)	(3,270,324)
Subtotal Expenditures	\$6,853,576	\$7,639,129	\$7,019,320	\$5,390,208	\$5,390,208
Expenses for Net Change in Accrued Liability ⁴	(\$718,218)	\$336,717	\$336,717	\$403,032	\$403,032
Total Expenditures	\$6,135,358	\$7,975,846	\$7,356,037	\$5,793,240	\$5,793,240
Transfers Out:					
School Operating Fund (090)	\$0	\$0	\$1,516,947	\$0	\$0
Total Transfers Out	\$0	\$0	\$1,516,947	\$0	\$0
Total Disbursements	\$6,135,358	\$7,975,846	\$8,872,984	\$5,793,240	\$5,793,240
Ending Balance	\$20,931,414	\$17,281,598	\$15,922,283	\$16,325,315	\$16,325,315
Restricted Reserves:					
Workers' Comp Accrued Liability	(15,585,566)	(16,851,765)	(15,922,283)	(16,325,315)	(16,325,315)
Unreserved Balance	\$5,345,848	\$429,833	\$0	\$0	\$0

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¹ FY 2001 Actuals reflect audit adjustments included in the FY 2001 Comprehensive Annual Financial Report (CAFR). The FY 2001 Audit Package detailing all of these changes were included in the *FY 2002 Third Quarter Review*.

² The *FY 2002 Revised Budget Plan* reflects adjustments adopted by the Fairfax County School Board on March 21, 2002, during their *FY 2002 Third Quarter Review*. The Fairfax County School Board adjustments were officially reflected in the County's *FY 2002 Third Quarter Review*, and approved by the Board of Supervisors on April 22, 2002.

³ The Superintendent's FY 2003 Proposed Budget for Fund 590, Public School Insurance Fund, reflected negative Unreserved Balances at the *FY 2002 Revised Budget Plan* and the FY 2003 School Board's Advertised Budget Plan. This is primarily due to the accounting treatment for Workers' Compensation Accrued Liability. It should be noted, that expenditure adjustments for this fund will be included in the *FY 2002 Third Quarter Review* and prior to the School Board's adoption of this budget to offset the negative unreserved balances.

⁴ Accrued liability is not included in the Ending Balance to accurately reflect operating results for the fiscal year. However, there is a net decrease of \$718,218 in the accrued liability for incurred but not reported claims. This results in a decrease to the total accrued liability reserve of \$15,585,566 in FY 2001.